REMARKS

Claim 3, 4, 14, 16, 19, 23, 25, 26, 32, 33, 34, 35, and 36 have been cancelled upon entry of the instant amendment; claims 2, 18, 21, 37 and 38 were previously cancelled. Accordingly, claims 1, 5-13, 15, 17, 20, 22, 24, and 27-31 are pending in the application. Applicants specifically preserve the right to pursue cancelled subject matter in one or more continuation or divisional applications.

Claims 1, 5, 15, 17, 24, and 28 have been amended to recite that the rhodopsin or the Drosophila RDGC phosphatase is "heterologous." This amendment adds no new matter and is supported by the specification, e.g., on page 17, lines 23-30.

Claims 1, 15, and 24 have been amended to add the steps of comparing the first sample to a second sample comprising mutant rhodopsin. This amendment adds no new matter and is supported by the specification, e.g., on page 44, lines 11-18 and in the claims as originally filed, e.g., claims 14, 23, and 32.

The rejections will be addressed in the order presented in the Office Action.

Rejection under 35 U.S.C. § 103

Claims 1, 3-17, 19, 20, and 22-38 stand rejected as allegedly obvious over Byk *et al.*, (*Proc. Natl. Acad. Sci. USA* 90:1907-1911, 1993) in view of Zuker, *et al.*, (*Proc. Natl. Acad. Sci. USA* 93:571-576, 1996) and Zuker (GenBank Accession No. M17718, reference "AE"). Applicants respectfully traverse for reasons of record.

In addition, Applicants have amended the claims to recite additional steps in the claimed method. The additional steps include providing a second sample comprising a mutant rhodopsin lacking the last 18 amino acids at the cytoplasmic terminus as compared to wild type and a Drosophila RDGC phosphatase comprising the sequence set forth in SEQ ID NO:1; contacting the second sample with the test compound suspected of having the ability to modulate RDGC GPCR phosphatase activity; (v) detecting Drosophila RDGC GPCR phosphatase activity in the second sample; and (vi) comparing the level of Drosophila RDGC GPCR phosphatase activity in the first sample and the second sample, thereby detecting RDGC GPCR phosphatase

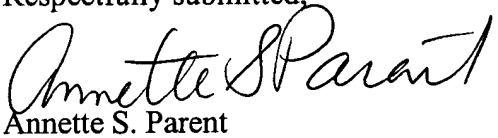
activity. The cited references neither teach or suggest comparing the first sample with a second sample comprising a specific, mutant rhodopsin lacking the last 18 amino acids as compared to wild type. Applicants therefore respectfully request withdrawal of the invention.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,



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